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C O N F I D E N T I A L SECTION 01 OF 02 UNVIE VIENNA 000437

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DEPT FOR P,T, ISN, IO/IT
DOE FOR NA24-SCHEINMAN, NA-423 GOUREVICH

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TAGS: [ENRG](#) [IAEA](#) [KNNP](#) [MNUC](#) [PARM](#) [TRGY](#) [ETTC](#) [IN](#)
SUBJECT: IAEA/INDIA: BOARD ADOPTS INDIA SAFEGUARDS AGREEMENT

REF: A) UNVIE 425 B) STATE 81808

Classified By: Ambassador Gregory L. Schulte for reasons 1.4 b and d

¶1. (C) U.S.-led diplomatic efforts in coordination with India and other key allies paved the way for the consensus adoption of the India Safeguards Agreement by the Board of Governors on August 1. A ringing endorsement from IAEA Director General ElBaradei helped sealed the deal in the Board. In addition to oral remarks at the beginning of the meeting highlighting key points from the Secretariat's briefing (ref a), the Director General made a personal appeal in support of the agreement just prior to its adoption. His staff told us he had been deeply offended by criticism of the agreement leveled by Austria and others and that showed in his public remarks.

¶2. (C) Almost the entire Board, 32 of 35 members, made statements, in addition to six non-Board members (Korea, New Zealand, Norway, Indonesia, Iran and Malaysia). Ambassador Schulte delivered the statement in ref b. The UK, France, Russia and Australia were particularly strong. A consensus EU statement was agreed just minutes before delivery due primarily to Austrian resistance. The majority of interventions was supportive and welcomed this agreement as a step in the right direction, but most countries urged India to accede to the NPT and CTBT and to conclude an Additional Protocol. China delivered an anodyne statement on the implementation of safeguards strengthening the nonproliferation regime. Among NAM and G-77 Board members taking the floor, South Africa, Thailand and Ghana expressed particular support for bringing India into the non-proliferation mainstream and Algeria called the agreement a "watershed." Brazil and South Africa also highlighted India's disarmament commitments, along with calls by other Board members for nuclear disarmament and establishment of a NWFZ in South Asia.

¶3. (C) Board members appreciated clarifications provided by the Secretariat and India in their respective briefings with Germany, Canada, Finland and others citing the DG and Secretariat's interpretation of key clauses on termination for the record. Several Board interventions also noted the Separation Plan and the need for timely declaration of facilities. Only ten states expressed broader reservations about the Safeguards agreement, including a joint statement delivered by Austria on behalf of non-Board members Costa Rica, The Netherlands and Norway citing corrective measures, linkage to bilateral agreements and the "empty shell" Annex. Ireland shared Austrian concerns and noted that had there been a vote, it would have abstained. Switzerland was by far the most critical of the agreement, warning that if it and NSG exception are adopted, it would signify the end of the nonproliferation regime as we know it. Privately, ElBaradei characterized the Swiss statement as "out of line" and suggested the U.S. focus on the NSG, noting concerns

expressed in the debate on the "supplier side" of the agreement. Austria, Ireland, Norway and New Zealand cited the importance of the upcoming NSG meeting and Japan called for a meaningful discussion. The Austrian statement noted that this was in no way an endorsement under the NSG.

¶4. (C) Iraq underlined that the agreement should not set a precedent for non-NPT member Israel and cautioned that it would cast a shadow over the NPT Prepcom and Revcon while other Arab Board members also referred to Middle East safeguards. Speaking as non-Board members, Egypt questioned the value of the Safeguards agreement and Iran and Malaysia disparaged the U.S.-India agreement as a double standard undermining the NPT.

¶5. (C) Following adoption of the agreement, Indian Atomic Energy Chairman Kakodkar expressed appreciation and delivered a statement focused on India's energy needs. Kakodkar signaled India's intention to move forward with the separation plan upon entry into force and noted India's work on an Additional Protocol. India also pledged continued cooperation with the Agency, including strict compliance with the provisions of the agreement, and firm commitment to disarmament and nonproliferation. Privately, Kakodkar and other members of the Indian delegation expressed satisfaction with the debate, indicated they could live with the NPT and CTBT expectations, and noted surprise at the strength of Brazil's intervention on disarmament. Pakistan, seeking to open the door for themselves, described the adoption of the agreement a historic step toward accommodating a non-NPT state and a new precedent. Pakistan also restated its National Command Authority's position on the India agreement,

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including support for an NSG criteria based approach, and noted concerns for strategic stability.

¶6. (U) Individual member state interventions emailed to the Department.

¶7. (C) Comment: While Board members Switzerland, Austria and Ireland made clear the difficulties they will pose in the NSG, the overwhelming sense from the Board meeting was of broad international support for India's incorporation into the nonproliferation regime.

SCHULTE